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Of Attorneys for Debtor-in-Possession

IN THE UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF OREGON

In re) Case No. 16-30406-rld11
)
SeaPort Airlines, Inc.,) DEBTOR'S MOTION TO DETERMINE
) ADEQUATE ASSURANCE TO UTILITY
Debtor-in-Possession.) COMPANIES

Debtor-in-Possession, SeaPort Airlines, Inc. ("Debtor"), hereby moves this Court for an order determining adequate assurance to utility companies, and in support thereof states as follows:

1. On February 5, 2016 (the "Petition Date"), Debtor filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code.
2. Debtor has continued in possession of Debtor's property and is continuing to operate and manage Debtor's business as debtor-in-possession pursuant to §§ 1107(a) and 1108 of the Bankruptcy Code.
3. The Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334(b) and the standing order of reference of the District Court. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper under 28 U.S.C. §§ 1408 and 1409.
4. In connection with the operation of Debtor's business, Debtor obtains electric,

gas, water, and similar services (collectively the "Utility Services") from several utility companies (the "Utility Companies"). Attached hereto as **Exhibit 1** is a list of substantially all of the Utility Companies that provide Utility Services to the Debtor as of the Petition Date. The relief requested herein is requested with respect to all Utility Companies providing Utility Services to Debtor and is not limited only to those entities listed on **Exhibit 1**.

5. Pursuant to 11 U.S.C. § 366(c)(2), a Utility Company may alter, refuse, or discontinue utility service to a debtor if within 30 days after the Petition Date the debtor does not provide adequate assurance of payment for post-petition Utility Services in a form that is satisfactory to the Utility Company. Debtor seeks an order determining the appropriate form of adequate assurance of future performance and thereby prohibiting any Utility Company from altering, refusing, or discontinuing Utility Services absent further court order.

6. Debtor proposes to provide adequate assurance of payment in the form of a one-month deposit by Debtor to the Utility Companies which request such a deposit, in the initial amounts set forth in **Exhibit 1**.

7. The one-month deposits made upon request of each Utility Company shall be deemed to be adequate assurance of payment for purposes of 11 U.S.C. § 366 without prejudice to the Utility Companies' right to seek additional or alternative assurance of payment upon further request of this Court. Debtor requests that any Utility Company seeking additional or alternative forms of adequate assurance be prohibited from altering, refusing, or discontinuing Utility Services pending further order of this Court.

8. If Utility Companies are permitted to terminate Utility Services without notice to Debtor or an opportunity for hearing, Debtor's business could be severely impacted

resulting in significant losses. The impact on Debtor's business operations, revenue and restructuring efforts could be devastating. Accordingly, it is important that the Utility Services remain uninterrupted.

9. In determining adequate assurance, the Court is not required to give the Utility Companies the equivalent of a guarantee of payment, but must only determine that the utility is not subject to an unreasonable risk of nonpayment for post-petition services. See *In re Caldor, Inc. - NY*, 199 B.R. 1 (SDNY 1996); *In re Santa Clara Circuits West, Inc.*, 27 BR 680, 685 (Bankr. D. Utah 1982); *In re George C. Frye Co.*, 7 BR 856, 858 (Bankr. D. Me 1980).

10. The adequate assurance proposed herein consisting of a cash deposit upon request equal to one month of service for each identified utility will provide satisfactory assurance of payment. Furthermore, requiring a court order prior to the alteration, refusal, or discontinuance of Utility Services by any Utility Company will protect Debtor's business operations from being disrupted in the event a Utility Company unilaterally determines that the proposed adequate assurance of payment is not appropriate.

11. Debtor's proposed assurance of payment is in the best interest of Debtor and Debtor's creditors and will enable Debtor to continue to operate Debtor's business in the ordinary course.

12. Debtor has provided notice of this motion to the United States Trustee, to Debtor's secured creditors, all of Debtor's unsecured creditors, and to the Utility Companies identified on **Exhibit 1** attached hereto. No unsecured creditors' committee has yet been appointed in this case. No further notice is necessary.

WHEREFORE, Debtor prays that this Court enter an Order determining that the payment of a deposit equal to one-month's average services upon request by a Utility

Company in the amounts set forth in **Exhibit 1** constitutes adequate assurance of payment in accordance with 11 USC §366 unless and until further order of this Court and prohibiting any Utility Company from altering, refusing, or discontinuing Utility Services without further order of this Court or granting such other form of adequate assurance as the court may deem necessary or appropriate.

The proposed form of Order granting this Motion is attached as **Exhibit 2**.

Dated: February 8, 2016

Respectfully submitted;

VANDEN BOS & CHAPMAN, LLP

By:/s/Douglas R. Ricks

Robert J Vanden Bos, OSB #78100
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Of Attorneys for Debtor-in-Possession

SEAPORT AIRLINES, INC.
UTILITY COMPANIES

In re SeaPort Airlines, Inc.;
Chapter 11 Bankruptcy Case No. 16-30406-rld11

CERTIFICATE - TRUE COPY

DATE: February 8, 2016

DOCUMENT: MOTION FOR ORDER DETERMINING ADEQUATE
ASSURANCE TO UTILITY COMPANIES

I hereby certify that I prepared the foregoing copy of the foregoing named document and have carefully compared the same with the original thereof and it is a correct copy therefrom and of the whole thereof.

CERTIFICATE OF SERVICE

I hereby certify that I served a copy of the foregoing on:

See Attached List.

(The original Service List is attached to the original copy filed with the Court only. Creditors may request a copy of the Service List by contacting the undersigned.)

by mailing a copy of the above-named document to each of them in a sealed envelope, addressed to each of them at his or her last known address. Said envelopes were deposited in the Post Office at Portland, Oregon, on the below date, postage prepaid.

I hereby certify that the foregoing was served on all CM/ECF participants through the Court's Case Management/Electronic Case File system on the date set forth below.

Dated: February 8, 2016

VANDEN BOS & CHAPMAN, LLP

By:/s/Douglas R. Ricks

Robert J Vanden Bos, OSB #78100
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Christopher N. Coyle, OSB #07350
Of Attorneys for Debtor-in-Possession

In re SeaPort Airlines, Inc.;
Chapter 11 Bankruptcy Case No. 16-30406-rlld11
Service List

First Class Mail:

SeaPort Airlines, Inc.
Attn: Timothy Sieber
7505 NE Airport Way
Portland, OR 97218

Largest 20 Unsecured Creditors:

154 West Aviation Enterprises, Inc.
c/o Kirk A. Hoopingarner Attorney
Partner Quarles & Brady LLP
300 N LaSalle St, # 4000
Chicago, IL 60654

Accounting Principals
Attn: Jonathon Schussler
10151 Deerwood Park Blvd
Bldg 200 Suite 400
Jacksonville, FL 32256

Aero Services
Attn: Brooke Walker
1890 Renshaw Way
Juneau, AK 99801

Airline Maintenance Service Inc.
Attn: Erick Larson
1 Terminal Way Suite 302
Nashville, TN 37214

American Express
Attn: Carley Lehr
PO Box 53852
Phoenix, AZ 85072

Atlantic Burbank
Attn: LaVonne Sears
PO Box 79648
City of Industry, CA 91716

Aviall Services, Inc.
Attn: Allison McCullough
P.O. BOX 842267
Dallas, TX 75284

City of Memphis, Treasurer
Attn: Angela Washington
Box 185
Memphis, TN 38101

DASH CA, Inc.
Attn: Pat Kerrigan
250 St Andrews Way
Lompock, CA 93436

Executive Express Aviation, LLC
Attn: Keith Sisson
43W700 US Highway 30
Sugar Grove, IL 60554

Hill Fuel LLC
Attn: Aldwin Harder
Box 808
Hoonah, AK 99829

Kenyon International
Emergency Svcs Inc.
Attn: Aldwin Harder
5180 Grand Point Drive
Houston, TX 77090

Lane Powell
Attn: David Hosenpud
1420 Fifth Avenue Suite 4200
Seattle, WA 98111

Memphis Propeller Service, Inc.
Attn: Leslie Davis
11098 Willow Ridge Drive
Olive Branch, MS 38654

Olson Brooskby PC
Attn: Scott Brooksby
200 Pacific Building
520 SW Yamhill Street
Portland, OR 97204

Petro Marine Services/Alaska
Oil Sales
Attn: Aaron Sperbeck, Esq.
Box 396
Skagway, AK 99840

Prime Turbines
Attn: Robert W. Coleman
PO Box 956
Hyannis, MA 02601

Sabre Group, Inc.
Attn: Russ Perkins
7285 Collection Center Dr.
Chicago, IL 60693

Tom's Aircraft Maintenance
Attn: Tom Jacobson
2641 E. Spring Street
Long Beach, CA 90806

Travelport, LP
BV c/o Bank of America Lockbox
Attn: Rhonda Shultes
PO Box 402395
Atlanta, GA 30384

Utilities:

AEL&P
5601 Tongsard Ct.
Juneau, AK 99801

Alaska Pacific Environmental
dba Pacific Waste
5211 Stark Street
Juneau, AK 99801

Atlantic Aviation
PO Box 951186
Dallas, TX 75395-1186

Cascade Natural Gas Corp.
Box 990065
Boise, ID 83799-0065

City & Borough of Juneau
1873 Shell Simmons Drive #200
Juneau, AK 99801

City of Pendleton
500 SW Dorion Ave.
Pendleton, OR 97801

Delta Western
P.O. Box 94356
Seattle, WA 98124-6656

Pacific Power
PO Box 26000
Portland, OR 97256-0001

Resort TV Cable Co.
PO Box 2153
Birmingham, AL 35287-1228

Suddenlink
PO Box 660365
Dallas, TX 75266-0366

Electronic Mail:

The foregoing was served on all
CM/ECF participants through the
Court's Case Management/ Electronic
Case File system.